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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 002654

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SUBJECT: THREAT OF NO CONFIDENCE VOTE HIGHLIGHTS THE  
PENDING RESTRUCTURING OF TAIWAN'S LEGISLATURE

Classified By: AIT Director Stephen M. Young, Reasons: 1.4 (b/d)

11. (C) Summary. Threats by opposition legislators to push for a vote of no confidence against Premier Su Tseng-chang have brought back to the forefront the pending major restructuring of the Legislative Yuan (LY). If a vote of no confidence passes this fall, President Chen Shui-bian can dissolve the legislature and call snap elections. These would be held under new rules that halve the size of the legislature and change the electoral system to a Japanese-style two-ballot system, where voters select one candidate for district representative and one political party for at-large seats. Although these reforms are likely to increase political stability by promoting emergence of a two-party system, legislators worry that the legislature will be unable to adequately fulfill its duties once its size is reduced. End summary.

#### The New Legislative Election System

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12. (U) Last June, the now-defunct National Assembly passed constitutional amendments that significantly change both the structure of and the electoral procedures for the Legislative Yuan (LY) at the time of the next election, currently scheduled for December 2007. These amendments will reduce the LY from 225 seats elected from large multi-member districts to 113 members, of which 73 will be elected from small single-member districts and 34 from party candidate lists based on proportional representation. Parties will only be allocated proportional seats if they receive more than 5 percent of the party ballots. Half of the candidates on party candidate lists must be women. The remaining 6 legislators will represent Taiwan's aboriginal population.

13. (SBU) The 73 districts will be drawn based on population along existing administrative boundaries, though each special municipality, county, and city in Taiwan is guaranteed at least one district -- and therefore at least one representative -- regardless of size. The LY is considering a draft redistricting proposal submitted by the Central Election Commission (CEC). While most legislators agree on the bulk of the proposed district borders, the plan has met resistance from a small number of legislators directly affected by the proposed borders in Taichung city and in Taipei, Taoyuan, Miaoli, Taichung, Changhua, and Pingtung counties. The CEC told AIT that if the LY is unable to resolve differences in the redistricting proposal, the

responsibility for approving the plan will go to DPP Premier Su Tseng-chang and KMT LY President Wang Jin-pyng. (Note: it is important to remember that both Blue and Green camps supported this fundamental reform last year, even though individual legislators are now grouching loudly about its implications on their electoral chances. End note.)

#### Threat of a No Confidence Vote

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¶4. (SBU) The legislative reforms were intended to govern the next legislative elections, scheduled for December 2007. However, if the LY passes a vote of no confidence against Premier Su in the fall LY session scheduled to begin on September 19, President Chen Shui-bian would be entitled either to appoint a new premier or to dissolve the LY and call for snap elections within 60 days. The CEC told AIT that these snap elections would be conducted under the new electoral rules.

¶5. (C) Even though the opposition Nationalist Party (KMT) would likely do well in a snap election based on recent public opinion polls, it is unlikely to support a vote of no confidence for a variety of reasons. Academia Sinica assistant research fellow Lin Jih-wen pointed out that many KMT legislators oppose the motion given that some two-thirds of them would likely lose their jobs if the legislature is dissolved and snap elections are held under the new electoral system. KMT legislator Joanna Lei told AIT that the party leadership is also opposed to a vote of no confidence because KMT Chairman and presidential hopeful Ma Ying-jeou would appear weak if any KMT legislators opposed the measure. Given the KMT's advantages under the new electoral system (see para 7) and the steady decline in public approval of the

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ruling Democratic Progressive Party (DPP), President Chen is also unlikely to opt for early elections, though the DPP is preparing for the possibility of a snap election by beginning to identify candidates. Furthermore, public opinion polls show that only approximately one-third of the general public supports a vote of no confidence, probably because removal of Premier Su, who is a popular politician with no direct connection to the recent scandals, is seen as a purely political move.

#### An Imminent Two-Party System?

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¶6. (C) CEC First Department Director Yu Ming-hsien explained to AIT that Taiwan's new electoral system is modeled after that of the lower house of the Japanese Diet and is intended to emulate the results of the Japanese system. After Japan adopted a two-ballot voting system in 1994, it saw a reduction in the effective number of political parties and an increase in party discipline. Academia Sinica's Lin Jih-wen told AIT that even though Taiwan and Japan have very different party systems and government structures, Taiwan will most likely experience a similar convergence towards a more stable two-party system. This is predicted because small parties like the pan-Green Taiwan Solidarity Union (TSU) and the pan-Blue People's First Party (PFP) will be marginalized, not only because of the greater difficulty of winning seats in the new single-member districts, but also because parties must win at least 5 percent of the party ballot votes to win any proportional seats. In addition, party leaders may strengthen their authority over legislators, because the smaller number of seats will increase the importance of party discipline.

¶7. (C) Political observers in Taiwan, such as Soochow University political scientist Emile Sheng, expect the proposed redistricting plan to give the KMT a head start of around 10 seats because of pro-Blue sentiments in a number of small counties as well as traditional aboriginal support for pan-Blue candidates. Furthermore, some academics, such as

National Taiwan University Professor Chu Yun-han, believe that the redistricting scheme will foster the consolidation of "safe districts" that, over time, could strengthen the division between the Blue-leaning north and the Green-leaning south.

#### Legislators Paint a Bleak Picture of LY Reform

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18. (C) Legislators AIT spoke with were relatively pessimistic about the pending legislative reforms. All indicated that legislative reform was driven by widespread public dissatisfaction with the performance of the LY. Chao Hung-chang, special advisor to ruling DPP Legislator Eugene Chao, explained that popular sentiment driving reform had been so strong that political parties, even the smaller parties that would be marginalized by the new electoral system, could not risk opposing it. While some legislators, such as TSU Convener David Huang, believe the reforms will help improve the image of the legislature, most legislators believe reduction of the size of the legislature will exacerbate Taiwan's legislative woes. For example, KMT legislator Joanna Lei predicted to AIT that legislative redistricting will increase vote-buying by candidates because of the greater ease and effectiveness of vote-buying in smaller single-member districts.

19. (C) Other legislators believe that the reduction in size will diminish the effectiveness of the legislature in doing its work. DPP legislator Lin Cho-shui suggested to AIT that using other national legislatures as a model, Taiwan should have around 285 legislators to adequately represent its 23 million people. (Comment: Lin obviously didn't study the U.S. Congress in making this assessment. End comment.) KMT legislator Su Chi pointed out that as a result of the downsizing of the LY, committee size and quorum will also be cut in half, which could enable just 3 or 4 legislators to decide the fate of key legislation. Nevertheless, even though these shortcomings are now becoming apparent, Su acknowledged that legislators have not yet begun discussing committee reform because they are more concerned with electoral redistricting and how to compete for office in the

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next election.

#### Electoral Strategy

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110. (C) KMT Organizational Director Liao Feng-te told AIT that the new electoral system poses a variety of challenges to political parties in planning for the 2007 legislative elections. For example, the KMT, which currently has more legislators (89) than there are single-member seats under the new system (73), will have to find a way to select a reduced number of candidates. Because the KMT has better chances of winning in certain districts than others, the party must also decide which candidates to run in which districts. Finally, the KMT must decide how to select and rank the candidates on its party candidate list in order to win the optimum number of proportional seats.

#### The Next LY

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111. (C) Most observers in Taiwan expect the next LY elections to give the KMT a legislative majority. Not surprisingly, political parties have been working to project their chances of success under the new system. According to an internal study conducted by PFP legislator Vincent Chang, the pan-Blue KMT, PFP, and NP parties will win 38 seats, 8 seats, and 1 seat respectively, the pan-Green DPP and TSU parties will win 22 seats and 1 seat respectively, and independents will win the remaining 3 seats. DPP legislator Lin Cho-shui told AIT that before recent scandals, the DPP hoped to win 40 or so seats, though its projections have

become increasingly pessimistic due to falling support for the party. TSU Convener David Huang acknowledged to AIT that his party will suffer under the new system and that it may win from zero to five seats, depending on its degree of cooperation with the DPP.

Comment

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¶12. (C) Although many political observers expect the new LY structure to increase political stability, most legislators see the reforms as misguided, passed to appease popular dissatisfaction rather than to meet practical needs. Even though legislators are concerned that the reduced LY will find it harder to do needed work, most are too preoccupied with re-election considerations to address long-term issues such as committee restructuring.

¶13. (U) This cable was drafted by POL Intern Eugene Chen.  
YOUNG